

110TH CONGRESS  
1ST SESSION

# S. 930

To amend the Internal Revenue Code of 1986 to provide a credit against tax for hurricane and tornado mitigation expenditures.

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IN THE SENATE OF THE UNITED STATES

MARCH 20, 2007

Mr. MARTINEZ (for himself and Mr. NELSON of Florida) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a credit against tax for hurricane and tornado mitigation expenditures.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Hurricane and Tor-  
5       nado Mitigation Investment Act of 2007”.

6       **SEC. 2. NONREFUNDABLE PERSONAL CREDIT FOR HURRI-**  
7       **CANE AND TORNADO MITIGATION PROPERTY.**

8       (a) IN GENERAL.—Subpart A of part IV of sub-  
9       chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 25D the fol-  
 2 lowing new section:

3 **“SEC. 25E. HURRICANE AND TORNADO MITIGATION PROP-**  
 4 **ERTY.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
 6 dividual, there shall be allowed as a credit against the tax  
 7 imposed by this chapter for the taxable year an amount  
 8 equal to 25 percent of the qualified hurricane and tornado  
 9 mitigation property expenditures made by the taxpayer  
 10 during such taxable year.

11 “(b) MAXIMUM CREDIT.—The credit allowed under  
 12 subsection (a) for any taxable year shall not exceed  
 13 \$5,000.

14 “(c) QUALIFIED HURRICANE AND TORNADO MITIGA-  
 15 TION EXPENDITURE.—For purposes of this section—

16 “(1) IN GENERAL.—The term ‘qualified hurri-  
 17 cane and tornado mitigation property expenditure’  
 18 means an expenditure for property—

19 “(A) to improve the strength of a roof  
 20 deck attachment,

21 “(B) to create a secondary water barrier to  
 22 prevent water intrusion,

23 “(C) to improve the durability of a roof  
 24 covering,

25 “(D) to brace gable-end walls,

1                   “(E) to reinforce the connection between a  
2                   roof and supporting wall,

3                   “(F) to protect openings from penetration  
4                   by windborne debris, or

5                   “(G) to protect exterior doors and garages,  
6                   in a qualified dwelling unit owned by the taxpayer.

7                   “(2) QUALIFIED DWELLING UNIT.—The term  
8                   ‘qualified dwelling unit’ means a dwelling unit that  
9                   is assessed at a value that is less than \$1,000,000  
10                  by the locality in which such dwelling unit is located  
11                  and with respect to the taxable year for which the  
12                  credit described in subsection (a) is allowed.

13                  “(d) LIMITATION.—An expenditure shall be taken  
14                  into account in determining the qualified hurricane and  
15                  tornado mitigation property expenditures made by the tax-  
16                  payer during the taxable year only if the onsite prepara-  
17                  tion, assembly, or original installation of the property with  
18                  respect to which such expenditure is made has been com-  
19                  pleted in a manner that is deemed to be adequate by a  
20                  State-certified inspector.

21                  “(e) LABOR COSTS.—For purposes of this section,  
22                  expenditures for labor costs properly allocable to the onsite  
23                  preparation, assembly, or original installation of the prop-  
24                  erty described in subsection (c) shall be taken into account  
25                  in determining the qualified hurricane and tornado mitiga-

tion property expenditures made by the taxpayer during the taxable year.

“(f) INSPECTION COSTS.—For purposes of this section, expenditures for inspection costs properly allocable to the inspection of the preparation, assembly, or installation of the property described in subsection (c) shall be taken into account in determining the qualified hurricane and tornado mitigation property expenditures made by the taxpayer during the taxable year.”.

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25D the following new item:

“Sec. 25E. Hurricane and tornado mitigation property.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

**SEC. 3. BUSINESS RELATED CREDIT FOR HURRICANE AND  
TORNADO MITIGATION.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 45N the following new section:

1 **“SEC. 450. HURRICANE AND TORNADO MITIGATION CRED-**  
 2 **IT.**

3 “(a) GENERAL RULE.—For purposes of section 38,  
 4 the hurricane and tornado mitigation credit determined  
 5 under this section for any taxable year is an amount equal  
 6 to 25 percent of the qualified hurricane and tornado miti-  
 7 gation property expenditures made by the taxpayer during  
 8 the taxable year.

9 “(b) MAXIMUM CREDIT.—The amount of the credit  
 10 determined under subsection (a) for any taxable year shall  
 11 not exceed \$5,000.

12 “(c) QUALIFIED HURRICANE AND TORNADO MITIGA-  
 13 TION EXPENDITURE.—For purposes of this section—

14 “(1) IN GENERAL.—The term ‘qualified hurri-  
 15 cane and tornado mitigation property expenditure’  
 16 means an expenditure for property—

17 “(A) to improve the strength of a roof  
 18 deck attachment,

19 “(B) to create a secondary water barrier to  
 20 prevent water intrusion,

21 “(C) to improve the durability of a roof  
 22 covering,

23 “(D) to brace gable-end walls,

24 “(E) to reinforce the connection between a  
 25 roof and supporting wall,

1                   “(F) to protect openings from penetration  
2                   by windborne debris, or

3                   “(G) to protect exterior doors and garages,  
4           in a qualified place of business owned by the tax-  
5           payer.

6                   “(2) QUALIFIED PLACE OF BUSINESS.—The  
7           term ‘qualified place of business’ means a place of  
8           business that is assessed at a value that is less than  
9           \$5,000,000 by the locality in which such business is  
10          located and with respect to the taxable year for  
11          which the credit described in subsection (a) is al-  
12          lowed.

13                  “(d) LIMITATION.—An expenditure shall be taken  
14   into account in determining the qualified hurricane and  
15   tornado mitigation property expenditures made by the tax-  
16   payer during the taxable year only if the onsite prepara-  
17   tion, assembly, or original installation of the property with  
18   respect to which such expenditure is made has been com-  
19   pleted in a manner that is deemed to be adequate by a  
20   State-certified inspector.

21                  “(e) LABOR COSTS.—For purposes of this section,  
22   expenditures for labor costs properly allocable to the onsite  
23   preparation, assembly, or original installation of the prop-  
24   erty described in subsection (c) shall be taken into account  
25   in determining the qualified hurricane and tornado mitiga-

tion property expenditures made by the taxpayer during the taxable year.

“(f) INSPECTION COSTS.—For purposes of this section, expenditures for inspection costs properly allocable to the inspection of the preparation, assembly, or installation of the property described in subsection (c) shall be taken into account in determining the qualified hurricane and tornado mitigation property expenditures made by the taxpayer during the taxable year.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of such Code is amended by striking “plus” at the end of paragraph (30), by striking the period at the end of paragraph (31) and inserting “, plus”, and by adding at the end the following new paragraph:

“(32) the hurricane and tornado mitigation credit determined under section 45O(a).”.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 45N the following new item:

“Sec. 45O. Hurricane and tornado mitigation credit.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.